
UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SEVENTH CIRCUIT.

No. 2769.

SPLITDORF ELECTRICAL COMPANY,

Defendant-Appellant.

vs.

WEBSTER ELECTRIC COMPANY,

Plaintiff-Appellee.

REPLY TO APPELLANT'S "ANSWER TO PLAINTIFF-APPELLEE'S
PETITION FOR REHEARING."

LIVINGSTON GIFFORD,

LYNN A. WILLIAMS,

ROBERT M. SEE,

JEROME N. FRANK,

Counsel for Plaintiff-Appellee.

UNITED STATES CIRCUIT COURT OF APPEALS

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No. 2769.

SPLITDORF ELECTRICAL COMPANY,

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Plaintiff-Appellee.

REPLY TO APPELLANT'S "ANSWER TO PLAINTIFF-APPELLEE'S
PETITION FOR REHEARING."

Appellant's answer to appellee's petition for a rehearing is convincing that the rehearing should be granted, for it concedes that the court's opinion does not allude to that difference between Kane and Weber which the record proves is vital and of the essence of Kane's invention.

Although appellant's answer alleges that this unconsidered difference between Kane and the prior art "is perfectly plain," and was discussed in the main briefs before this court, the answer consists wholly of an involved argument allegedly addressed to the merits of this unconsidered question. The argument in reality, however, is largely directed to that minor difference be-

tween Kane and Weber which the court has already considered.

In the present situation there is no opportunity, and it would be improper to argue at length the merits of this undecided question of invention. To secure that opportunity is the function of the petition. In our petition, we pointed out some parts of the record and briefly outlined our views, in order to show to the court that there exists this fundamental question to which its opinion does not allude. In this reply it is equally impossible and improper fully to discuss the facts and argue the merits of this undecided question, but we do feel compelled to indicate briefly that the arguments suggested in appellant's answer are wholly refutable.

Appellant's argument, as did the court's opinion, treats the preservation of *merely mechanical* synchronism between the separation of the electrodes and the movement of the armature shaft as the gist of Kane's invention. This is an obviously "political move" intended, no doubt, to suggest to the court that it has considered and decided upon the important difference between Kane and Weber. This matter of *mechanical* synchronism is a relatively minor feature of the Kane invention, and has to do solely with that difference between Kane and Weber which the court has already considered. We do not question the court's decision on that matter.

Appellant's argument glosses over and belittles (and the court's opinion does not allude to) the vital difference between Kane and the prior art which constitutes the very essence of the Kane invention.

Kane for the first time in the art produced a magneto ignition equipment which could be operated either on the engine or off the engine, and in which the *observable* spark when *off* the engine is and must be *identical* with

the *unobservable* spark when *on* the engine. The Kane unitary equipment, when removed from the engine to be cleaned and tested, is capable of absolute test because it operates in precisely the same way to produce identically the same spark, whether it is on or off the engine. This is wholly untrue of Weber or of anything that preceded Kane—it was a new result never before achieved, and is the foundation of the success of magneto ignition equipment for stationary engines. This is the essence of the Kane invention, and it is due wholly to that difference between Kane and Weber to which the court's opinion makes no allusion.

Appellant's answer urges (page 9) that

“it was quite impracticable to retract (Kane's) armature against the resistance of its springs with one's fingers or hands, when the magneto was detached from the engine, and it was not practical to do it in any definite or useful way with any mechanical device prior to the Podlesak invention.”

This statement is wholly unfounded in fact, and can be so demonstrated. The Podlesak invention, however, does offer a striking demonstration of the essential difference between Kane and Weber. The Podlesak invention referred to is the starting lever 4-5 of Podlesak's patent 1,101,956 (Exhibit Book, page 898). This lever provides a convenient means for cocking and releasing the rotor of the magneto which, on its release, is returned to its normal position by the action of the driving spring mechanism precisely as if it had been cocked and released by the engine itself. But if Weber's magneto be removed from its engine, it could not be operated in any manner whatever by this lever (which was designed by Podlesak as an addition to Kane), because of the absence of the driving spring mechanism. The fact that this lever is operative in an effective and valuable manner in the one case, while it is of no utility whatever in

the other case, is simply another demonstration of the inherent difference between Kane and Weber.

This vital difference between Kane and Weber, concerning which the court's opinion is silent, also has an important result in the matter of synchronism, which the court did not appreciate or mention in its discussion of synchronism, and which appellant's answer ignores.

The *merely mechanical* synchronism between the movement of the rotor and the movement of the spark electrodes is easy to see and to understand but, as the record conclusively establishes, the phase of the electric current wave is dependent not only upon the distance through which the rotor moves, but also upon the *manner* in which it moves—whether fast or slow, whether at constant speed or acceleratingly or deceleratingly.

It is impossible by hand turning of the rotor to duplicate, either in degree or kind, the motion which is imparted to the rotor by its driving spring mechanism. This means that it is impossible by hand turning to duplicate either in shape or in phase the electric current wave with whose almost instantaneous peak the opening of the spark electrodes must be synchronized.

It is true, of course, that if Weber's bracket 53 be rigidly and permanently secured to his ignition block 3 that "the crank arm and the hammer arm" will "hold their relative positions with respect to each other intact." While this may effect the preservation of the *merely mechanical* synchronism regardless whether these parts be on or off the engine, it does not by any means insure the preservation of the *vital electrical* synchronism between the peak of the generated current wave and the opening of the spark electrodes. In other words, the peak of the current wave may possibly be made to synchronize perfectly with the opening of the electrodes when Weber's

magneto is removed from the engine and rotated by hand, while that adjustment will not produce any synchronism whatever when the magneto is placed upon the engine and operated by the spring driving mechanism.

The argument in appellant's answer proceeds upon the assumption that, if the synchronism between the current wave and the opening of the electrodes is once secured, this synchronism will be preserved intact whenever the magneto is mounted on the engine. But not only is the necessary electrical synchronism destroyed whenever Weber's magneto is removed from the engine, but it cannot be preserved even if the magneto remains upon the engine. The sharp impact of the electrodes and of Weber's arm 41 on the adjusting screw 27 of the crank arm 26, occurring at every impulse of the engine, rapidly wears these parts away. It was for the very purpose of readjusting the instant at which the spark electrodes should be opened that Weber provided the adjusting screw 27.

In Kane, the unitary equipment can be removed from the engine and the corresponding anvil screw can be adjusted until the necessary electrical synchronism is secured, as determined by an ocular observation of the spark. The spark thus secured when the equipment is removed will be identically repeated when the equipment is replaced on the engine. In Weber, on the other hand, the anvil screw may be adjusted while the magneto is removed from the engine, but whether the electrical synchronism necessary for engine operation has been secured, can never be determined in the absence of the driving spring mechanism, and the effect of this mechanism can be obtained only by replacing the magneto upon the engine. When the magneto is replaced upon the engine, the spark electrodes are concealed within the cylinder wall of the engine, and it is impossible to ob-

serve or test the spark in any way. In Kane, the spring-actuated operation of the mechanism upon the release of the rotor is identically the same, whether the rotor be cocked by hand when the equipment is removed from the engine or by the push-rod when the equipment is replaced. Consequently, synchronism secured when the equipment is removed is inevitably the synchronism desired in engine operation. In Weber, while it may be possible to secure some approximation of synchronism by adjustment made during hand operation of the rotor, that adjustment will certainly fail to produce synchronism when the rotor is actuated by the spring mechanism after the equipment is replaced on the engine.

Appellant's counsel urge (page 10) that the combination of Kane's claims 7 and 8 is not patentable because it would not involve invention to substitute the magneto of Milton's patent No. 1,053,107, or of Hennig patent 916,312 for the magneto shown by Weber, in view of the fact that the Wattles patent 909,264 illustrated a magneto mounted upon the igniter block of the gas engine. This, of course, is merely the stock argument of every defendant. If an anticipation is not to be found, then combine this part of one mechanism with that part of another, and presto—you have the exact combination of the patent in suit. The substitution suggested by counsel would involve radical reorganization, but regardless whether mechanically simple or complex, the fact remains that no one prior to Kane had the happy and tremendously successful thought of doing it.

As to the Wattles device, it did not have any driving spring mechanism whatever. The armature of the magneto was intended to be rotated by a piston acted upon by the compression of air and gas in the engine cylinder. The record shows that the Wattles patent was not

merely a paper one, for there is positive testimony that Wattles tried for months in the shops of the International Harvester Company to make his device operate, and failed (Record, p. 293). The Wattles patent never did suggest, and it never could have suggested, a combination of Weber and Milton or Hennig, or the entirely different combination of Kane's claims 7 and 8.

Appellant's counsel (attempting to answer our proposition that the importance of the difference between Kane and Weber is shown by the fact that the Accurate Engineering Company, after having bought the Weber patent, at once abandoned Weber's two-group idea and adopted the unitary construction of Kane) urges that the Accurate Engineering Company manufactured and sold mainly a two-group equipment. That equipment was neither Kane nor Weber.

Appellant's witness, Henry G. Cox, testified (Record, page 716) that the total magneto business of the Accurate Engineering Company outside of its sales to the Harvester Company was as follows:

"It had an order for 5,000 equipments from the Associated Manufacturers, but did not fill it all—probably filled about 500, and the same number to the Acme Engine Company, which failed and went out of business. About 2,000 were sold and delivered to Fuller & Johnson. The latter were rotating magnetos. Some oscillating magnetos were supplied to Fuller & Johnson, but not of a unitary construction, nor of the construction shown in Defendant's Exhibit 51."

As to the International Harvester Company, Mr. Cox's testimony shows (Record, page 714) that "Mr. Ed Johnson was interested in the (Accurate Engineering) Company at the time it was organized in 1914," and that at the same time "he was superintendent of

the Tractor Works of the International Harvester Company," and that the Harvester Company "began the use of the equipment furnished by the Accurate Engineering Company about May, 1914, on what they called their side shaft line (of engines), built by or under Johnson's directions at the Tractor Works." It is these sales by Mr. Johnson to Mr. Johnson for the "particular style of engine" designed by Mr. Johnson, that counsel for appellant dilate upon. But the equipments thus sold by Mr. Johnson to himself, only about 1,000 of which the Accurate Company was able to sell to other parties, were not in any particular Weber devices. The outstanding fact in the history of the Accurate Company is that it bought the Weber patent, and insofar as it attempted to use Weber's ideas at all, it abandoned his two group idea and adopted Kane's unitary construction.

Appellant's counsel further urge (page 15) that the "large increase in sales (by the Webster Electric Company) did not come to pass until some four or five years after the date of Kane's invention, and was really due to plaintiff's abandonment of Kane's magneto, and its adoption of Podlesak's newly designed magneto embodying the inventions disclosed in and covered by the Podlesak patents."

We do not hesitate to concede that the Webster Electric Company improved and refined its equipment from time to time, and that Podlesak had much to do with this improvement. But the fundamental fact remains that it was solely the Kane unitary equipment that averted the Webster Company's failure, and that Podlesak's improvements could not have been made except upon the foundation of Kane's underlying invention. There was no abandonment of Kane and substitution

of Podlesak, as appellant's counsel insinuate. Although the Webster equipment has been improved from time to time by Podlesak and others, Kane's unitary construction has been used continually to the exclusion of all else since the day of Kane's invention.

We submit, therefore, that plaintiff's answer to our petition serves merely to emphasize the fact that the essence of the Kane invention and the vital difference between Kane and the prior art has not been appreciated or considered. It is the fundamental question in this case. Heretofore it has been so hidden among the many other complex questions in the case that neither party has had the opportunity fully to argue this question, as a consequence of which the court's opinion does not allude to it.

Our petition for rehearing fully accepts the court's opinion so far as it goes, and thus brings out for single consideration the essence of the Kane invention and the real distinction between Kane and the prior art. We submit that the petition for rehearing should be granted in order that all of the facts and arguments bearing on this single question may be fully appreciated and considered.

Respectfully,

LIVINGSTON GIFFORD,

LYNN A. WILLIAMS,

ROBERT M. SEE,

JEROME N. FRANK,

Counsel for Plaintiff-Appellee.

And afterwards, on the same day, to wit, the first day of April, 1921, in the October term last aforesaid, there was filed in the office of the clerk of this court a certain notice, which said notice is in the following words and figures, to wit:

UNITED STATES CIRCUIT COURT OF APPEALS

For the Seventh Circuit

Splitdorf Electric Company,
Defendant-Appellant,
vs.
 Webster Electric Company,
Plaintiff-Appellee.

No. 2769

NOTICE.

Edward Rector,
 McCormick Building,
 Chicago.

Of Counsel for Appellant.

Please take notice that we are filing today in the United States Circuit Court of Appeals for the Seventh Circuit a reply to Appellant's answer to Plaintiff-Appellee's petition for rehearing, two copies of which are enclosed herewith.

LYNN A. WILLIAMS

ROBERT H. SEE

Of Counsel for Plaintiff-Appellee.

Chicago, Illinois,
 April 1, 1921.

Received copies of the above notice and of the printed reply referred to therein, this first day of April, 1921.

EDWARD RECTOR

Of Counsel for Defendant-Appellant.

Endorsed: Filed April 1, 1920. Edward M. Holloway,
 Clerk.

And afterwards, to wit: On the sixth day of December, 1921, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

Tuesday, December 6, 1921.

Before:

Hon. Francis E. Baker, Circuit Judge.

Hon. Evan A. Evans, Circuit Judge.

Splitdorf Electrical Company 2769	vs.	} Appeal from the District Court of the United States for the Northern District of Illinois, Eastern Division.
Webster Electric Company.		

It is ordered by the court that this cause be, and the same is hereby re-set down for oral argument, limited to the issues respecting the Kane patent, and placed upon the calendar for the January session, 1922, of this court. It is further ordered that this oral argument be on Friday, January 6th, 1922, at ten o'clock A. M.

Endorsed: Filed December 6, 1921. Edward M. Holloway,
Clerk.

And afterwards, to wit: On the sixth day of January, 1922, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

Friday, January 6, 1922.

Court met pursuant to adjournment and was opened by proclamation of erier.

Present:

Hon. Francis E. Baker, Circuit Judge, presiding.

Hon. Samuel Alschuler, Circuit Judge.

Hon. Evan A. Evans, Circuit Judge.

Hon. George T. Page, Circuit Judge.

Edward M. Holloway, Clerk.

Robert R. Levy, Marshal.

Before:

Hon. Francis E. Baker, Circuit Judge.

Hon. Evan A. Evans, Circuit Judge.

Hon. George T. Page, Circuit Judge.

Splittorf Electrical Company	}	Appeal from the District Court of the United States for the Northern District of Illinois, Eastern Division.
2769 vs		
Webster Electric Company		

Now this day come the parties by their counsel and this cause now comes on to be heard on the issues respecting the Kane patent and the printed record and briefs of counsel and on oral arguments by Mr. Edward Rector, counsel for appellant, and by Mr. Lynn A. Williams, counsel for appellee, the court having heard the same takes this matter under advisement.

And afterwards, to wit: On the eighth day of May, 1922, in the October term last aforesaid, there was filed in the office of the clerk of this court a certain opinion, which said opinion is in the following words and figures, to wit:

IN THE UNITED STATES CIRCUIT COURT OF APPEALS

For the Seventh Circuit.

No. 2769

OCTOBER TERM, 1921, APRIL SESSION, 1922.

Splitdorf Electrical Company,

*Appellant,**vs.*

Webster Electric Company,

Appellee.

Appeal from the District Court
of the United States for the
Northern District of Illi-
nois, Eastern Division.

ON REHEARING.

Before BAKER, EVANS and PAGE, *Circuit Judges.*

EVANS, *Cir. J.*: A rehearing in this case was granted because of uncertainty as to the correctness of our conclusion respecting the validity of claims 7 and 8 of the Kane patent.

In appellee's original brief the Kane invention was described as follows: "At this junction Mr. Kane invented the unitary magneto ignition equipment of his patent in suit.

* * * In this device the magneto and the igniter plug are no longer separated, but are brought into one unitary structure, with no link mechanism intervening, between the movable electrode and the armature shaft. * * * Speaking of its results, counsel said, "When it is necessary to clean the spark plug or to test or adjust the mechanism, the whole unitary structure may be removed, and its operation adjusted and its spark observed in the open, and it may then be put back on the engine with absolute assurance that it will function in operative position precisely as it did when removed from the engine."

This position of counsel invited the observation of the court that "the essence of the contribution was the unitary structure made possible by the rigidly and inseparably connected parts, the magneto generator, and the unitary block."

The correctness of this position is now challenged because we failed to consider the effect of uniting in a single unitary structure *all* of the operating mechanism of the equipment, including, of course, the two elements aforementioned. We assumed in determining the validity of the claim that the

Kane magneto ignition equipment was unitary in structure and permitted the operator to remove it from the engine whereby it might be better examined and replaced without changing the relative position of the two parts mentioned and without disturbing the synchronism so much desired. We failed to appreciate fully what is now claimed as an important and valuable result, viz., the creation of a spark, when the equipment is off the engine, identical with the spark produced when it is on the engine. In other words, inspection is for the purpose of locating trouble and trouble generally is located in the spark or in its absence. Obviously the spark which the mechanic or operator endeavors to produce off the engine must be such a spark as is produced ordinarily when the magneto equipment is in its place on the engine.

The claim provides for an integral support upon which *all of the aforesaid parts are mounted*. The words "*all of the aforesaid parts*" are not properly restricted to the magneto and igniter plug.

Appellee now asserts that the Kane unitary equipment when removed from the engine to be cleaned or tested is capable of a satisfactory test because it operates in precisely the same way to produce identically the same spark whether on or off the engine.

The question before us is one of patentability. While invention will not be determined by results obtainable, we have referred to the production of the spark on or off the engine to emphasize the use of the word "all" in the claims. Stressing, as we must, the provision which calls for the integral support upon which "*all of the aforesaid parts are mounted*," the question of patentability becomes a close one.

We have, upon a consideration of all of the evidence (extent of use, the effect of allowance by the patent office, the decision of the district judge, the prior art, as well as all the other evidence), come to the conclusion that our first decision is incorrect and that patentable novelty is here disclosed.

It would serve no useful purpose to elaborate upon the reasons that impell us to reach this conclusion. The question has been twice fully argued and counsel have apparently appreciated the closeness of the issue. Whether type of construction manifested by size or location of parts constitutes invention must in the last analysis turn upon the facts in each particular case. Ordinarily, we might say, to construct a unitary structure without changing parts would not be invention. On the other hand, the unitary structure

may have the parts so mounted as to result in a type or form so simple of operation or so handy and convenient in size or shape as to produce desirable results, which have been long but unsuccessfully sought by those skilled in the art. A finding in support of which there is some evidence, that others skilled in the art failed after diligent effort to solve the problem must, of course, be considered as rather persuasive in determining whether such advance constitutes invention.

Believing that we have erred in our previous conclusion, we avail ourselves of this opportunity to correct it.

This conclusion respecting the patentable novelty back of claims 7 and 8 makes it necessary for us to consider one of the other defenses not heretofore considered by this court.

In order to appreciate the defense of laches a more complete and detailed statement of the facts is necessary.

Kane's original application for patent No. 1,204,573 was filed February 2, 1910 and was allowed November 14, 1916. The divisional application was filed January 14, 1915 and allowed September 24, 1918. Milton's patent No. 1,096,048 was applied for October 28, 1910 and allowed May 12, 1914. On August 17, 1915 the Milton patent was placed in interference with the pending Kane application and Kane won. The circumstances under which this decision was obtained destroy its effect, and counsel for appellee do not rely upon the adjudication of the patent office in respect to the issue of priority but rest upon finding of the district judge.

The Podlesak reissue patent No. 13,878 was issued February 9, 1915, upon application filed December 23, 1914, the original patent being No. 1,055,076, issued March 4, 1913.

Kane by amendment filed April 17, 1915, introduced nine new claims, three being copies from the Podlesak original patent, and the remaining six from the reissue patent. These nine claims were rejected on various grounds, one of them being "that Kane had no right to make the claims in issue because of laches on his part, the claims not having been presented by him for more than two years after the issue of the original Podlesak patent and not until some time after the issue of the reissued patent." The board of examiners in chief sustained Podlesak's contention, and it was held that the claims were barred by Kane's laches.

Kane acquiesced in the decision with respect to three of the claims, which three claims correspond with those in Podlesak's original patent, but appealed to the commissioner in respect to the remainder, the ones similar to those in the

Podlesak reissue patent. The commissioner affirmed the decision of the examiners in chief, but upon a different ground, viz., that the claims in question were not readable on Kane's disclosure. The court of appeals finally disposed of the matter against Kane, basing its decision both upon Kane's laches and upon the further ground that the claims were not readable upon Kane's disclosure.

Following this decision Kane, on June 17, 1918, filed an amendment by which he introduced the two new claims, 7 and 8, now in issue.

Kane's attorney in presenting claims 7 and 8 stated to the examiner:

"The decision of the Court of Appeals is, of course, binding upon the primary examiner to the effect that Kane is now estopped to make these specific detailed claims of the Podlesak patent because of his delay in so doing.

"In so far as any prosecution of this application before the primary examiner is concerned [we promptly concede that we are bound by the estoppel of *res adjudicata* and by the Court of Appeals].* It is clear, however, that this estoppel does not and cannot run as against the claims now presented.

"The two claims presented herewith are not limited to any of these refinements or details."

It is upon the foregoing facts and others hereinafter related, that we must dispose of the question of laches.

An inventor of a patent may lose his right thereto by waiver, by public grant, by estoppel or by laches. By failure to apply to the government for a patent within the statutory period of two years he loses his right as effectively as if he made specific grant thereof to the public. If in his application he seeks but a part of the claims to which he is entitled, he waives all right to those not claimed. He makes a donation to the public and his right to the monopoly is gone forever.

While the results are the same, there is, of course, a difference in the evidence which shows a grant to the public and the evidence which supports the defense of laches.

In support of the contention that section 4886 R. S. requires a divisional application to be filed within two years from the allowance and publication of a patent covering the same claims appellant cites *Chapman v. Wintroath*, 252 U. S. 126. Subsequent to the filing of the original brief the following additional authorities were submitted, all based upon the views expressed in *Chapman v. Wintroath*. *De Ferranti v.*

Harmatta, 273 Fed. 357; *Ransdall v. Jahns*, 273 Fed. 365; *Repogle v. Kirby*, 269 Fed. 862; *Wells v. Honigmann*, 267 Fed. 743. Our attention has been called to no case holding the contrary and we have found none upon independent investigation.

True, the precise question here presented was not squarely raised and therefore not decided in *Chapman v. Wintroath*. In that case the divisional application was denied (no hearing was had and no evidence was received) solely on the ground that it was not made within *one year* from the date of the allowance of a patent covering the same claims to another. Appellants contend, however, and we agree with the courts that have passed upon the question that the effect of the holding, is to fix the period, during which such application must be filed, at *two years* from the date of the issuances of the other patent. No other deduction can fairly or logically be drawn from the discussion of the question in that opinion.

In fact this was the effect of the holding upon the 9 claims that Kane copied from the Podlesak patent, all of which were rejected because not timely made, and to which ruling appellee acquiesced. The facts in the present suit are distinguishable from the Chapman case in that the claims were not identical with any claims in any issued patent. While this distinction may be made, it appears that the difference does not justify a different conclusion being reached. The claims in question differ only in that they are more broad, more generic, than the specific claims that were rejected in the interference contest.

But we are not required to rest our decision solely upon the two year period fixed by the statute. Laches may arise and become an effective bar to relief under a variety of circumstances. Laches is based upon delay and delay is a relative term.

In the last paragraph of the opinion in *Chapman v. Wintroath* we find the court referring to laches other than that defined and fixed by the statute by calling attention to the absence of any evidence in the case under consideration that would warrant any such finding. The court says:

"As has been pointed out, the Examiner of Interferences did not permit the introduction of any evidence with respect to laches or abandonment and the Court of Appeals rests its judgment, as he did, wholly upon the delay of the Chapmans in filing their divisional application for more than one year

after the Wintroath patent was issued, as this appeared 'on the face of the record.' While not intending to intimate that there may not be abandonment which might bar an application within the two-year period allowed for filing, yet upon this discussion of the statutes and decisions, we cannot doubt that upon the case disclosed in this record, the Chapmans were within their legal rights in filing their divisional application at any time within two years after the publication of the Wintroath patent, and therefore the judgment of the Court of Appeals must be reversed."

Turning to the facts in the present case and for the moment ignoring any two-year rule, we find Kane's position in support of claims 7 and 8 untenable. Not only did he not intend to make these claims, in fact he knowingly and intentionally failed to present them, but not until eight years after he filed his original application and more than nine years after the device was in common use, during all of which time it was in general use, did he seek to dominate the art by inserting these amended claims into the patent.

When examined as to the new combination represented by these two claims, he testified that he had knowingly failed to claim it. The following testimony appears:

"Q. What? Didn't Mr. Webster ask you to help him out in connection with the means of fastening the magneto and the plug to the engine?

A. No, sir, he did not.

Q. He didn't discuss that at all with you prior to the time that you filed your application?

A. He did prior to the time we filed the application.

Q. Well, when was it he discussed that with you?

A. Discussed that with me when I showed him the drawing.

Q. Mr. Kane, is there anything on that drawing,—the first one that you had,—showing any means of regulating or determining what you call the cut-out of the spark?

A. No, sir, there is not.

Q. How, what did you tell him about the means by which the magneto and plug were to be attached to the cylinder?

A. Well, outside of telling him that by doing that we had a means of securely fastening the magneto to the cylinder, and also a means of cutting out a lot of intermediate and useless mechanism, I do not know as I told him very much.

Q. You did not consider it of very much importance; is that right?

A. It seemed to me a matter more of design than importance—invention.

Q. Is that what you told him?

A. Yes, sir.

Q. And you told him that you thought that it was not an invention, and was a mere matter of design? You told that to Mr. Sprinkle, did you, when you went to him to get a patent?

A. I told him it was a good means and preferred means of fastening the magneto on the engine.

Q. Well, I asked you if you told him that you thought it was a mere matter of design, and not an invention.

A. I possibly did, yes."

Believing that the Podlesak invention was controlled through contract and otherwise, appellee was not greatly concerned about the question of who was the first inventor. Its attitude in the Milton-Kane contest is not such as to invite the court's confidence in the sincerity of its protestations nor in the good faith of its assertion that it was not endeavoring to improperly prolong its monopoly beyond the period fixed by statute. Having secured a favorable decision from the patent office in this interference contest through control and ownership of both sides of the litigation, it then discovered that its asserted rights under its patent and under its contract with Podlesak were challenged, and it again amended its specifications, inserting the new claims which necessitated an interference contest with Podlesak. This contest was bitterly fought, appeals being taken from the examiner and then to the patent commissioner, and then to the Court of Appeals, with the result that appellee was found guilty of laches and the decision went against it.

Appellee filed the aforementioned amended application incorporating these nine new claims on April 17, 1915; the first three were taken from the Podlesak patent issued March 4, 1913, and the other six from the Podlesak reissue patent dated February 9, 1915. In this adverse decision appellee acquiesced, wherefrom it appears that if appellee was guilty of laches in April 1915 for failure to present the nine claims under consideration, it must *a fortiori* be found guilty of laches in failing to present claims 7 and 8 until June 17, 1918. The allowance of these last two claims upon the amendment of June 17, 1918, was upon *ex parte* application and was made

by the examiner, the adverse parties, of course, not being present to protest or point out the error of such allowance. The claims differ, as heretofore stated, from the claims in the Podlesak patent in that they are broader in scope, but the difference is not sufficient to avoid the effect of the decision in the Podlesak interference contest. They depend for their support largely, if not entirely, upon that part of the specifications which were incorporated by amendment in 1915, which amendment was made to support the nine claims taken from the Podlesak patent and subsequently rejected as heretofore described.

We conclude Kane's laches barred his right to claims 7 and 8.

The decree is reversed with directions to dismiss the bill.
A true Copy.

Teste:

*Clerk of the United States Circuit Court
of Appeals for the Seventh Circuit.*

And afterwards on the same day, to wit: the eighth day of May, 1922, in the October term last aforesaid, the following further proceedings were had and entered of record, to wit:

Monday, May 8, 1922.

Court met pursuant to adjournment.

Present:

Hon. Francis E. Baker, Circuit Judge, presiding.

Hon. Samuel Alschuler, Circuit Judge.

Hon. Evan A. Evans, Circuit Judge.

Hon. George T. Page, Circuit Judge.

Edward M. Holloway, Clerk.

Before:

Hon. Francis E. Baker, Circuit Judge.

Hon. Evan A. Evans, Circuit Judge.

Hon. George T. Page, Circuit Judge.

Splitdorf Electrical Company	}	Appeal from the District Court of the United States for the Northern District of Illinois, Eastern Division.
2769 <i>vs</i>		
Webster Electric Company		

This cause came on to be reheard on the transcript of the record from the District Court of the United States for the Northern District of Illinois, Eastern Division, and was argued by counsel.

On consideration whereof, it is now here ordered, adjudged and decreed by this court that the decree of the said District Court in this cause be, and the same is hereby reversed with costs; and that this cause be, and the same is hereby remanded to the said District Court with directions to dismiss the bill.

UNITED STATES CIRCUIT COURT OF APPEALS

For the Seventh Circuit.

I, Edward M. Holloway, Clerk of the United States Circuit Court of Appeals for the Seventh Circuit, do hereby certify that the foregoing pages, numbered from 823 to 926, inclusive, contain a true copy of the proceedings had and papers filed (excepting briefs of counsel and stipulations and orders relating to time of filing same) in the following entitled cause:

Splitdorf Electrical Company

vs.

Webster Electric Company

No. 2769, October Term, 1921, as the same remains upon the files and records of the United States Circuit Court of Appeals, for the Seventh Circuit.

In testimony whereof I hereunto subscribe my name and affix the seal of said United States Circuit Court of Appeals for the Seventh Circuit, at the City of Chicago, this twenty-fifth day of July, 1922.

(Seal)

EDWARD M. HOLLOWAY,
*Clerk of the United States Circuit Court of
Appeals for the Seventh Circuit.*